
A U D I T M E M O R A N D U M N O . 3 8

September 13, 2004

To: Corey Booth
Steve Cutler

From: Walter Stachnik

Re: Document Imaging System

In April 2004, the Division of Enforcement and the Office of Information Technology (OIT) undertook an initiative to image electronically Enforcement's discovery documents. The Office of Inspector General learned of problems with the imaging done to date. As a result, we surveyed system users to identify problems they were experiencing and identify possible improvements. The audit work was performed from June 2004 to July 2004 in accordance with generally accepted government auditing standards.

The initial costs for contractors to image all existing discovery documents for open cases were estimated at \$55 million. Program officials estimate annual costs to continue the imaging, including infrastructure and technical support, to be \$25 million.

To date, the contractors have imaged documents from headquarters, and the Commission's New York, Boston, Chicago, and Philadelphia field offices. The Commission plans to image documents from the Atlanta and Miami field offices in fiscal years 2004-2005, and the remaining field offices in fiscal year 2005.

The project was initially scheduled to take three years to image all of the Commission's existing documents. The Chairman's Office subsequently directed that the project be significantly expedited.

We interviewed several users in Headquarters and the Northeast Regional Office (NERO). The users mentioned several problems related to technical, quality control and staffing issues. We communicated these issues to OIT and Enforcement staff, who indicated that they were already aware of and working to resolve many of the issues, as summarized below.

Therefore, we are not making formal recommendations at this time. However, we may initiate a follow-up audit in 2005 to determine if sufficient progress has been made.

Technical and Quality Control Issues:

Turnaround times – Documents were scheduled to be available in electronic form within five business days of surrender. However, current turnaround times average between three and four weeks, due to technical issues. The slow turnaround times and other technical issues have caused delays in ongoing Enforcement cases. According to Enforcement, the delays have also caused problems for users of the images (e.g., see Incomplete imaging, below).

System delays – Scrolling from one document to the next using the system sometimes takes several seconds. This results in significant delays when reviewing documents. OIT is currently exploring the causes of this problem.

Broken Links - Links to other documents do not always work.

High Speed Printers - Special high-speed printers are needed because regular laser printers do not work effectively with the data imaging software. Several offices are still waiting for these printers.

Burning CDs - Currently, CDs of imaged documents can only be burned at headquarters. OIT is working to resolve this issue.

System Outages – Users have experienced frequent system outages. OIT is currently configuring a redundant system so system maintenance will not affect current users.

Document Mix Ups - Documents from one case have been imaged with documents from another case.

Multiple data sources - Certain cases have multiple data sources, making document searching more difficult. Either the images have been created multiple times by different contractors, or the images have been loaded into a Commission data base multiple times.

Incomplete Imaging – Some documents have either not yet been imaged or not yet loaded into a Commission data base.

Multiple Imaging – Some documents have been imaged or loaded multiple times.

Document Retrieval – It is difficult to determine which box of documents a particular image came from, making it cumbersome to track down original documents when needed.

Training – Staff indicated that more staff training on the document imaging system is needed.

Staffing Issues:

Enforcement and OIT officials informed us that staffing is currently insufficient to ensure an adequate system of quality control for the document imaging system. Quality control procedures would better ensure that all documents are imaged accurately and completely and the electronic files are easy to search and properly linked to related documents.

Enforcement officials indicated that several permanent litigation support specialists are needed to provide quality control and training for users and to perform other duties (such as helping to draft subpoenas). Currently, temporary contractors are providing user training and assistance, but contractors cannot perform certain litigation support functions. Further, an OIT official informed us that additional staffing is needed for ongoing system maintenance.

Based on a request from the offices involved, the Executive Resources Board (ERB) recently approved requests for 31 additional IT staff to be allocated to the headquarters Division of Enforcement, the field offices and the Office of Compliance, Inspections and Examinations. Additional funding requests for paralegals, administrative personnel and legal technicians were not funded at this time due to budget constraints but may be reconsidered at the end of this fiscal year or in fiscal year 2005. Some of the IT and other staffing requested will assist with the document imaging project.

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